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LISTING STATEMENT No. 2274

LISTED SEPTEMBER 14th, 1967
3,967,094 Common Shares without par value,
of which 340,000 Shares are subject
to issuance.
Stock Symbol "MBH".
Dial Quotation Number 1564.
Post Section 1.2.

THE TORONTO STOCK EXCHANGE

LISTING STATEMENT

MARKBOROUGH PROPERTIES LIMITED

Incorporated under the laws of the Province of Ontario
by Letters Patent of Amalgamation dated August 12, 1965.

CAPITALIZATION

SHARE CAPITAL	AUTHORIZED	ISSUED AND OUTSTANDING	TO BE LISTED
as at August 15, 1967			
Common shares without par value	6,000,000	3,627,094	3,967,094*
FUNDED DEBT			
as at June 15, 1967			
Mortgages and Notes**			
On income properties (amortized and payable over 30 years in equal monthly instalments)	N.A.	13,241,576	NIL
On land under sales agreements	N.A.	2,892,941	NIL
On land for future development	N.A.	965,389	NIL

* 340,000 common shares are subject to issuance.

** Particulars of the foregoing Mortgages and Notes are set forth in the Table of Assets and Notes thereto on pages 8 and 9 of the prospectus of the Company dated July 17, 1967, accompanying this application. References to such Mortgages and Notes is also made in Note 5 to the consolidated financial statements of the Company on page 27 of the prospectus.

August 18, 1967

1. APPLICATION

Markborough Properties Limited (hereinafter called the "Company") hereby makes application for the listing on The Toronto Stock Exchange of 3,967,094 common shares without par value in the capital stock of the Company of which 3,627,094 have been issued and are outstanding as fully paid and non-assessable. The remaining 340,000 common shares included in this application have been reserved as follows:

Employees' stock option at \$5.00 per share expiring April 30, 1968	20,000
Employees' stock option at \$5.00 per share expiring May 31, 1976	10,000
Employees' stock option at \$5.00 per share expiring December 31, 1976	10,000
For exercise of outstanding share purchase warrants	300,000
	<hr/> 340,000

HISTORY

The Company resulted from the amalgamation under the laws of the Province of Ontario of Markborough Limited and Highbury Properties Limited by Letters Patent of Amalgamation dated August 12, 1965.

Markborough Limited was incorporated under the laws of the Province of Ontario by Letters Patent dated October 18, 1963.

Highbury Properties Limited resulted from the amalgamation under the laws of the Province of Ontario on July 29, 1965 of Highbury Holdings Limited, Magjo Holdings Limited and Highbury Development Company Limited. Highbury Holdings Limited was incorporated by Letters Patent dated January 10, 1961, Magjo Holdings Limited was incorporated by Letters Patent dated June 24, 1965 and Highbury Development Company Limited was incorporated by Letters Patent of Amalgamation dated October 6, 1964.

Highbury Development Company Limited resulted from the amalgamation on October 6, 1964 of Ladbroke Investments Limited incorporated by Letters Patent dated June 8, 1959, Peterhead Investments Limited incorporated by Letters Patent dated July 28, 1958, Raintree Investments Limited incorporated by Letters Patent dated July 28, 1958, Ravenscrest Investments Limited incorporated by Letters Patent dated July 28, 1958, Sandwell Investments Limited incorporated by Letters Patent dated July 28, 1958, South Hill Investments Limited incorporated by Letters Patent dated July 28, 1958, Westway Shopping Centre Limited incorporated by Letters Patent dated August 19, 1958, Widdifield Court Investments Limited incorporated by Letters Patent dated July 28, 1958, Clarion Investments Limited incorporated by Letters Patent dated July 28, 1958, Westway Investments Limited incorporated by Letters Patent dated July 28, 1958 and Highbury Development Co. Limited incorporated by Letters Patent of Amalgamation dated December 19, 1960.

Highbury Development Co. Limited resulted from the amalgamation under the laws of the Province of Ontario on December 19, 1960 of Highbury Developments Limited incorporated by Letters Patent dated March 17, 1953 and Magamal Limited incorporated by Letters Patent dated December 1, 1960.

NATURE OF BUSINESS

The Company is a property development and investment company, formed to undertake the development of large scale residential, commercial and industrial projects across Canada and to acquire income producing properties for investment. For details of the operations of the Company, see pages 3 to 7 of the prospectus accompanying this application. The Company employs 13 employees.

INCORPORATION

The Company was incorporated under the laws of the Province of Ontario by Letters Patent of Amalgamation dated August 12, 1965 with an authorized capital divided into 5,061,960 preference shares with a par value of \$.70 each and 1,500,000 common shares without par value. By Supplementary Letters Patent dated April 20, 1967 the authorized capital was increased from 1,500,000 to 3,000,000 common shares without par value. The Company obtained Supplementary Letters Patent dated June 8, 1967 subdividing the 3,000,000 shares into 6,000,000 common shares without par value.

SHARE ISSUES DURING PAST TEN YEARS

(a) Markborough Properties Limited:

(1) Common Shares Without Par Value

<u>Date of Issue</u>	<u>No. of Shares Issued</u>	<u>Amount Realized Per Share</u>	<u>Total Amount Realized</u>	<u>Purpose of Issue</u>
Aug. 13, 1965	626,050	Nil	Nil	Issued on share for share basis to shareholders of Markborough Limited and Highbury Properties Limited at time of amalgamation.
Feb. 28, 1966	118,500	\$13.50	\$ 1,599,750	As part consideration for the purchase of 827.199 acres of land in the Township of Toronto in the County of Peel.
Dec. 16, 1966	97,397	\$10.00	\$ 973,970	Rights offering to increase issued capital.
Feb. 14, 1967	112,500	\$10.00	\$ 1,125,000	Private placement with sponsoring shareholders (see issue of shares of Markborough Limited below) to increase issued capital.
Mar. 9, 1967	15,000	\$10.00	\$ 150,000	Issued to sponsoring shareholder to increase issued capital.
Apr. 14, 1967	214,100	\$10.00	\$ 2,141,000	Issue to sponsoring shareholders to increase issued capital. The Company paid a commission of \$6,000 in connection with the issue of 60,000 of such shares.
May 18, 1967	30,000	\$10.00	\$ 300,000	Issue to sponsoring shareholders to increase issued capital.
Aug. 8, 1967	1,200,000	\$ 5.05	\$ 6,060,000	Issued to Greenshields Incorporated and A. E. Ames & Co. Limited as set out in the prospectus dated July 17, 1967 accompanying this application.

The foregoing table does not give effect to the subdivision of common shares referred to under the heading "Capitalization", except for the shares issued on August 8, 1967.

(2) 6% Non-cumulative redeemable preference shares

<u>Date of Issue</u>	<u>No. of Shares Issued</u>	<u>Amount Realized Per Share</u>	<u>Total Amount Realized</u>	<u>Purpose of Issue</u>
Aug. 12, 1965	5,061,960	N.A.	N.A.	Issued on share for share basis to holders of preference shares of Highbury Properties Limited at the time of amalgamation. These shares were redeemed at par August 25, 1965 for a cash consideration of \$3,543,372.

(b) Highbury Properties Limited:

(1) Common shares without par value

<u>Date of Issue</u>	<u>No. of Shares Issued</u>	<u>Amount Realized Per Share</u>	<u>Total Amount Realized</u>	<u>Purpose of Issue</u>
July 29, 1965	712,967	N.A.	N.A.	Issued on share for share basis to holders of common shares of Magjo Holdings Limited, Highbury Holdings Limited and Highbury Development Company Limited at time of amalgamation.

(2) 6% Non-cumulative redeemable preference shares.

<u>Date of Issue</u>	<u>No. of Shares Issued</u>	<u>Amount Realized Per Share</u>	<u>Total Amount Realized</u>	<u>Purpose of Issue</u>
July 29, 1965	6,505,687	N.A.	N.A.	Issued on share for share basis to holders of preference shares of Magjo Holdings Limited at time of amalgamation. By supplementary Letters Patent dated July 30, 1965 1,443,727 of the preference shares were reclassified as 1,443,727 common shares without par value and these common shares together with the 712,967 common shares referred to in item (1) of this clause (b) were consolidated into 126,050 common shares without par value.

(c) Magjo Holdings Limited

(1) Common shares without par value

<u>Date of Issue</u>	<u>No. of Shares Issued</u>	<u>Amount Realized Per Share</u>	<u>Total Amount Realized</u>	<u>Purpose of Issue</u>
June 30, 1965	3	50¢	\$ 1.50	Incorporator's shares.
July 26, 1965	712,952	50¢	\$ 356,476	Partial consideration for the purchase of all the outstanding common shares of Highbury Holdings Limited.

(2) 6% Non-cumulative redeemable preference shares of the par value of \$1.00 each.

<u>Date of Issue</u>	<u>No. of Shares Issued</u>	<u>Amount Realized Per Share</u>	<u>Total Amount Realized</u>	<u>Purpose of Issue</u>
July 26, 1965	6,505,687	\$ 1.00	\$ 6,505,687	Balance of consideration for the purchase of outstanding shares of Highbury Holdings Limited.

(d) Markborough Limited

(1) Common shares without par value

<u>Date of Issue</u>	<u>No. of Shares Issued</u>	<u>Amount Realized Per Share</u>	<u>Total Amount Realized</u>	<u>Purpose of Issue</u>
Oct. 18, 1963	6	\$10.00	\$ 60.00	Incorporator's shares.
Nov. 15, 1963	2,994	\$10.00	\$ 29,940	Issued to sponsoring shareholders. By supplementary Letters Patent dated April 22, 1965 the 3,000 issued shares were subdivided into 18,000 shares.
April 29, 1965	232,000	\$10.00	\$ 2,320,000	First issue to new sponsoring shareholders.
July 12, 1965	75,000	\$10.00	\$ 750,000	Issued to sponsoring shareholders.
July 28, 1965	175,000	\$10.00	\$ 1,750,000	Issued to sponsors.

(e) Highbury Holdings Limited

(1) Common shares without par value

<u>Date of Issue</u>	<u>No. of Shares Issued</u>	<u>Amount Realized Per Share</u>	<u>Total Amount Realized</u>	<u>Purpose of Issue</u>
To Dec. 31, 1961	102,433	\$.01	\$ 1,024.33	Original issue.
Jan. 1, 1963 to Dec. 31, 1963	50,000	\$17.20	\$859,855.86	Issued for cash. The 152,433 shares were subdivided into 609,732 shares by supplementary Letters Patent dated February 5, 1965.
March 4, 1965	103,220	\$.967	\$ 99,768.00	To purchase minority interest in Highbury Development Company Limited.

(2) 6% Cumulative redeemable preference shares of the par value of \$1.00 each

<u>Date of Issue</u>	<u>No. of Shares Issued</u>	<u>Amount Realized Per Share</u>	<u>Total Amount Realized</u>	<u>Purpose of Issue</u>
To Dec. 31, 1961	648,431	\$ 1.00	\$ 648,431	To purchase 100% of the outstanding shares of Highbury Development Co. Limited. 324,216 of the shares were redeemed in 1961, 40,526 were redeemed in 1962 and the balance of 283,689 were redeemed in 1965 prior to the amalgamation.

(f) Highbury Development Company Limited

(1) Common shares without par value

<u>Date of Issue</u>	<u>No. of Shares Issued</u>	<u>Amount Realized Per Share</u>	<u>Total Amount Realized</u>	<u>Purpose of Issue</u>
Oct. 7, 1964	2,302,660	N.A.	N.A.	Issued to shareholders of ten predecessor companies at time of amalgamation.

(g) Clarion Investments Limited

(1) Common shares without par value

<u>Date of Issue</u>	<u>No. of Shares Issued</u>	<u>Amount Realized Per Share</u>	<u>Total Amount Realized</u>	<u>Purpose of Issue</u>
July 28, 1958 to Oct. 6, 1964	230,266		\$ 7,245.20	Issued for cash — converted into 198,197 common shares on amalgamation.

(h) Westway Investments Limited

(1) Common shares without par value

<u>Date of Issue</u>	<u>No. of Shares Issued</u>	<u>Amount Realized Per Share</u>	<u>Total Amount Realized</u>	<u>Purpose of Issue</u>
July 28, 1958 to Oct. 6, 1964	230,266		\$ 33,797.22	Issued for cash — converted into 65,004 shares on amalgamation.

(i) Widdifield Court Investments Limited

(1) Common shares without par value

<u>Date of Issue</u>	<u>No. of Shares Issued</u>	<u>Amount Realized Per Share</u>	<u>Total Amount Realized</u>	<u>Purpose of Issue</u>
July 28, 1958 to Oct. 6, 1964	230,266		\$ 5,704.90	Issued for cash — converted into 26,188 shares on amalgamation.

(j) South Hill Investments Limited

(1) Common shares without par value

<u>Date of Issue</u>	<u>No. of Shares Issued</u>	<u>Amount Realized Per Share</u>	<u>Total Amount Realized</u>	<u>Purpose of Issue</u>
July 28, 1958 to Oct. 6, 1964	230,266		\$ 8,671.20	Issued for cash — converted into 43,845 shares on amalgamation.

(k) Sandwell Investments Limited

(1) Common shares without par value

<u>Date of Issue</u>	<u>No. of Shares Issued</u>	<u>Amount Realized Per Share</u>	<u>Total Amount Realized</u>	<u>Purpose of Issue</u>
July 28, 1958 to Oct. 6, 1964	230,266		\$ 8,466.20	Issued for cash — converted into 42,118 shares on amalgamation.

(l) Ravenscrest Investments Limited

(1) Common shares without par value

<u>Date of Issue</u>	<u>No. of Shares Issued</u>	<u>Amount Realized Per Share</u>	<u>Total Amount Realized</u>	<u>Purpose of Issue</u>
July 28, 1958 to Oct. 6, 1964	230,266		\$ 10,388.80	Issued for cash — converted into 25,414 shares on amalgamation.

(m) Raintree Investments Limited

(1) Common shares without par value

<u>Date of Issue</u>	<u>No. of Shares Issued</u>	<u>Amount Realized Per Share</u>	<u>Total Amount Realized</u>	<u>Purpose of Issue</u>
July 28, 1958 to Oct. 6, 1964	230,266		\$ 6,681.20	Issued for cash — converted into 84,707 shares on amalgamation.

(n) Peterhead Investments Limited

(1) Common shares without par value

<u>Date of Issue</u>	<u>No. of Shares Issued</u>	<u>Amount Realized Per Share</u>	<u>Total Amount Realized</u>	<u>Purpose of Issue</u>
July 28, 1958 to Oct. 6, 1964	230,266		\$ 3,421.60	Issued for cash — converted into 14,230 shares on amalgamation.

(o) Westway Shopping Centre Limited

(1) Common shares without par value

<u>Date of Issue</u>	<u>No. of Shares Issued</u>	<u>Amount Realized Per Share</u>	<u>Total Amount Realized</u>	<u>Purpose of Issue</u>
Aug. 19, 1958 to Oct. 6, 1964	230,266		\$ 10,998.80	Issued for cash — converted into 137,849 shares on amalgamation.

(p) Ladbroe Investments Limited

(1) Common shares without par value

<u>Date of Issue</u>	<u>No. of Shares Issued</u>	<u>Amount Realized Per Share</u>	<u>Total Amount Realized</u>	<u>Purpose of Issue</u>
June 8, 1959 to Oct. 6, 1964	230,266		\$ 5,931.20	Issued for cash — converted into 53,246 shares on amalgamation.

(q) Highbury Development Co. Limited

(1) Common shares without par value

<u>Date of Issue</u>	<u>No. of Shares Issued</u>	<u>Amount Realized Per Share</u>	<u>Total Amount Realized</u>	<u>Purpose of Issue</u>
Dec. 19, 1960	185,269	N.A.	N.A.	Issued on amalgamation of Highbury Developments Limited (185,266 shares) and Magamalg Limited (3 shares).

(r) Magamalg Limited

(1) Common shares without par value

<u>Date of Issue</u>	<u>No. of Shares Issued</u>	<u>Amount Realized Per Share</u>	<u>Total Amount Realized</u>	<u>Purpose of Issue</u>
Dec. 1, 1960	3	\$ 1.00	\$ 3.00	Incorporator's shares.

(s) Highbury Developments Limited

(1) Common shares without par value

This Company made no issues of common shares from 1956 until its amalgamation on December 19, 1960.

(2) 6% Cumulative preference shares of the par value of \$10 each

This Company made no issues of preference shares subsequent to 1956.

6. STOCK PROVISIONS AND VOTING POWERS

All the common shares without par value in the capital of the Company rank equally and carry one vote at all general meetings of shareholders. The common shares are entitled to dividends as and when declared by the Board of Directors; have no pre-emptive or conversion rights; and are entitled upon liquidation, to receive pro rata such assets of the Company as are distributable among the shareholders.

7. DIVIDEND RECORD

The Company has not paid any dividends on its shares; but dividends were paid by predecessor companies subsequent to 1956 as follows:

<u>Predecessor Company</u>	<u>Date</u>	<u>Shares</u>	<u>Rate Per Share</u>	<u>Gross Dividend</u>
Markborough Limited	January 22/65	Common	\$.40	\$ 1,200.00
Highbury Holdings Limited	January 15/65	Preference	.06	17,021.34
Highbury Holdings Limited	January 24/64	Preference	.12	34,042.68
Highbury Holdings Limited	January 1/62	Preference	.06	19,452.90
Highbury Development Co. Limited	December 18/62	Common	.35	64,844.15*
Highbury Development Co. Limited	December 18/62	Common	.86	159,331.34*
Highbury Development Co. Limited	December 13/61	Common	.90	166,742.10*
Highbury Development Co. Limited	January 30/61	Common	3.55	657,704.95*
Highbury Developments Limited	October 6/60	Preference	.15	3,247.20
Highbury Developments Limited	July 1/60	Preference	.30	6,494.40
Highbury Developments Limited	January 18/60	Preference	.30	6,494.40
Highbury Developments Limited	July 1/59	Preference	.30	6,494.40
Highbury Developments Limited	December 1/58	Preference	.30	6,494.40
Highbury Developments Limited	August 20/58	Common	.35	64,843.10
Highbury Developments Limited	May 15/58	Preference	1.50	32,472.00

*100% of the foregoing dividends of Highbury Development Co. Limited was paid to Highbury Holdings Limited.

8. RECORD OF PROPERTIES

The Company owns or holds interests in real property located in the Toronto and Montreal areas and in the cities of Regina and Winnipeg. Such properties are fully described on pages 5 to 9 of the prospectus accompanying this application.

9. SUBSIDIARY COMPANIES

Northhaven Farms Limited was incorporated under the laws of the Province of Ontario by Letters Patent dated March 14, 1966 with an authorized capital consisting of 4,000 shares without par value of which 10 shares have been issued for an aggregate consideration of \$100 and all of which are beneficially owned by the Company. This subsidiary leases certain of the Company's lands in the Town of Streetsville and in the Township of Toronto and carries out a farming operation on such lands.

Canada Centre Development Corporation Ltd. was incorporated under the laws of the Province of Manitoba by Letters Patent dated October 22, 1964 with an authorized capital consisting of 10,000 Class "A" shares of no par value and 10,000 Class "B" shares of no par value of which 3 Class "A" shares have been issued to the Company's nominees. This subsidiary has been inactive since its incorporation.

10. FUNDED DEBT

The Company's funded debt as at March 31, 1967 consisted solely of the mortgages and notes described in the Table of Assets and Notes thereto set forth on pages 8 and 9 of the prospectus accompanying this application. As appears in Note 5 to the consolidated financial statements of the Company contained in the said prospectus, \$3,084,000 of the principal amount of such mortgages and notes is payable prior to October 31, 1967. Reference is also made to the heading "Borough of North York" on page 5 of the said prospectus which indicates that the Company assumed on May 9, 1967 a mortgage in the principal amount of \$3,040,867 bearing interest at the rate of 6¼% per annum and being payable in equal monthly instalments on account of principal and interest until maturity in 2001.

11. OPTIONS, UNDERWRITINGS, ETC.

As at August 15, 1967, the Company has granted options to certain of its senior officers for an aggregate of 40,000 common shares, after giving effect to the subdivision referred to under the heading "Capitalization", at the price of \$5 per share as follows:

<u>Option Period</u>	<u>No. of Shares</u>
From May 1, 1965 to April 30, 1968	20,000
From June 1, 1966 to May 31, 1976	10,000
From January 1, 1967 to December 31, 1976	10,000

With respect to the options expiring in 1976, not more than 4,000 of the 20,000 shares subject thereto may be taken up by the senior officers during each of the first five years of the option periods. In the case of all such options the termination dates of the option periods are accelerated if the optionees cease to be senior officers of the Company.

As appears on page 20 of the prospectus accompanying this application, the Company entered into an underwriting agreement with Greenshields Incorporated and A. E. Ames & Co. Limited on July 17, 1967 and pursuant thereto the Company sold to the underwriters on August 8, 1967 the 1,200,000 common shares accompanied by share purchase warrants offered by the said prospectus.

There are no other outstanding options, underwritings, sale agreements or other contracts or agreements of like nature with respect to any of the unissued shares of the Company. None of the issued shares of the Company are held for its benefit.

Markborough Properties Limited

1,200,000 Common Shares

(without par value)

Accompanied by Share Purchase Warrants

Offered in Units of 4 common shares and 1 share purchase warrant entitling the holder to purchase 1 common share, as now constituted, at \$6 prior to the close of business on February 1, 1970 and thereafter at \$7 prior to the close of business on August 1, 1972.

We, as principals, offer these Units subject to prior sale and change in price, if as and when issued by the Company. Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books without notice. It is expected that share certificates in interim form and accompanying warrants will be available for delivery on or about August 8, 1967.

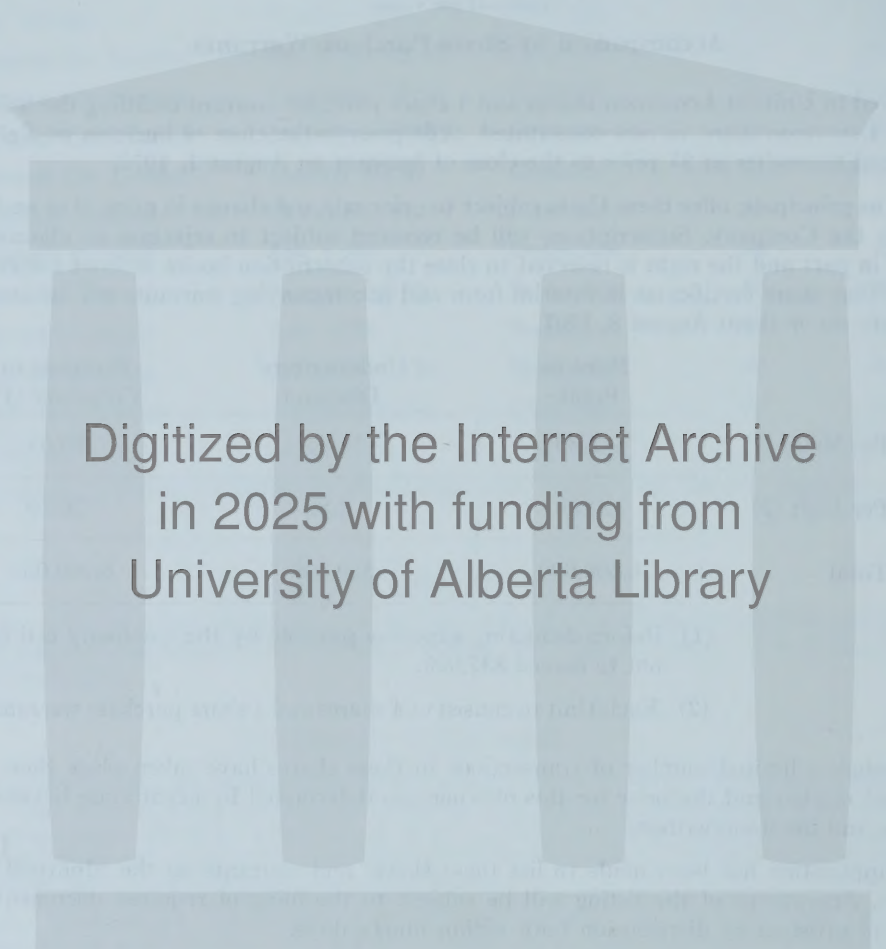
	Price to Public	Underwriters' Discount	Proceeds to Company (1)
Per Share	\$ 5.50	\$.45	\$5.05
Per Unit (2)	22.00	1.80	20.20
Total	6,600,000	540,000	6,060,000

- (1) Before deducting expenses payable by the Company estimated not to exceed \$35,000.
- (2) Each Unit to consist of 4 shares and 1 share purchase warrant.

Although a limited number of transactions in these shares have taken place there is no established market and the price for this offering was determined by negotiation between the Company and the underwriters.

An application has been made to list these shares and warrants on the Montreal Stock Exchange. Acceptance of the listing will be subject to the filing of required documents and evidence of satisfactory distribution both within ninety days.

July 17, 1967



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The Company

Markborough Properties Limited (the "Company") resulted from the amalgamation under the laws of the Province of Ontario of Markborough Limited and Highbury Properties Limited by Letters Patent of Amalgamation dated August 12, 1965. On April 20, 1967, the Company obtained Supplementary Letters Patent increasing its authorized capital from 1,500,000 to 3,000,000 common shares without par value and extending its objects. The Company obtained additional Supplementary Letters Patent dated June 8, 1967 subdividing the 3,000,000 common shares into 6,000,000 common shares without par value. The Company's head office is at 150 Eglinton Avenue East, Toronto, Ontario.

The Company is a property development and investment company, formed to undertake the development of large scale residential, commercial and industrial projects across Canada and to acquire income producing properties for investment.

Purpose of Issue

The estimated net proceeds to the Company from the sale of the 1,200,000 common shares with accompanying warrants amounting to \$6,060,000, less expenses of issue estimated not to exceed \$35,000, will be used immediately on receipt to reduce bank indebtedness.

Capitalization

	Outstanding March 31, 1967	Outstanding June 15, 1967	To be outstanding on completion of this financing
MORTGAGES AND NOTES (1):			
On income properties completed or under construction.....	\$9,687,241	\$13,241,576	\$13,241,576
On sites for income property construction.....	1,610,222	1,150,000	1,150,000
On land under sales agreements.....	3,056,180	2,892,941	2,892,941
On land for future development.....	965,389	965,389	965,389
CAPITAL STOCK (2):			
Authorized—6,000,000 common shares without par value.....			
Issued (3) — amount.....	9,959,220	12,400,220	18,460,220
(shares).....	(1,938,894 shs.)	(2,427,094 shs.)	(3,627,094 shs.)

NOTES:—

- (1) Particulars of these mortgages and notes are set forth on page 8 of this prospectus and in note 5 to the consolidated financial statements of the Company forming part of this prospectus. The Company was also indebted to its bankers as at June 15, 1967 in the amount of \$6,964,203 under bank lines of credit aggregating \$8,278,500. Such bank loans are payable on demand and are unsecured. There is no other substantial indebtedness outstanding or proposed to be created or assumed by the Company or its subsidiaries not shown in the consolidated balance sheet as at March 31, 1967 forming part of this prospectus other than indebtedness incurred or to be incurred or assumed in the ordinary course of business.
- (2) On June 8, 1967, the Company obtained Supplementary Letters Patent subdividing the authorized 3,000,000 common shares into 6,000,000 common shares without par value. The authorized and issued common shares shown in this table and the notes thereto give effect to such subdivision.
- (3) Between March 31, 1967 and June 15, 1967 the Company issued 488,200 additional common shares at a price of \$5 per share. 300,000 shares have been reserved for the exercise of share purchase warrants and 40,000 shares have been reserved for the exercise of management stock options.

Business

History

The Company resulted from the amalgamation of Markborough Limited and Highbury Properties Limited.

Markborough Limited was incorporated under the laws of the Province of Ontario on October 18, 1963 as a wholly-owned subsidiary of Holborough Investments Limited which is controlled by Aluminum Company of Canada, Limited, a Canadian chartered bank and Greenshields Incorporated. Prior to amalgamation with Highbury Properties Limited, Markborough Limited carried on the business of purchasing fully-serviced residential building lots for eventual sale mainly to Alcan Design Homes Limited, a wholly-owned subsidiary of Aluminum Company of Canada, Limited.

Highbury Properties Limited resulted from the amalgamation under the laws of the Province of Ontario on July 29, 1965 of Highbury Holdings Limited, Magjo Holdings Limited and Highbury Development Company Limited. This latter company was also an amalgamated company, which, by Letters Patent of Amalgamation dated October 6, 1964, continued 11 predecessor companies. Highbury Properties Limited and its predecessor companies (the "Highbury Group") carried on the business of land development and income property ownership and management.

In the fall of 1964, Markborough Limited decided to take advantage of the opportunities for growth and expansion that existed in the real estate industry as a result of the growing trend towards urbanization in Canada. A study was undertaken to evaluate the possibility of Markborough Limited participating profitably in this growth and expansion. As a result of this study, it was decided that success in the real estate industry would depend on the ability of the participant to provide large amounts of capital financing and sound management. In the spring of 1965, it was decided to expand Markborough Limited into a major property investment and development company that would meet these requirements.

As a first step in this expansion, a number of major corporations and institutions were invited to form a sponsoring group of shareholders. This group now consists of the shareholders named on page 14 of this prospectus. To provide management, Markborough Limited contracted for the services of Mr. B. R. B. Magee as president and Mr. H. Peter Langer as vice-president, operations. Mr. Magee has been in the industry since 1949 and is the president of A. E. LePage Limited one of the largest real estate companies in Canada. Mr. Langer, who has been in the industry since 1947, has extensive experience in the property development field. He is a director of the Ontario Housing Corporation and is a past president of the Toronto Real Estate Board. On June 1, 1966, the Company obtained the services of Mr. Donald F. Prowse as financial vice-president. Mr. Prowse, a chartered accountant, has been involved in the financial aspects of property development and investment since 1954.

As a next step, Markborough Limited commenced amalgamation proceedings with Highbury Properties Limited of which Mr. Magee was president. The Highbury Group was responsible for the development of an 800 acre tract of land in the Borough of Etobicoke in Metropolitan Toronto. This land now contains over 2,000 homes, about 1,000 apartment and multi-family units and approximately 300 acres of commercial and industrial land which is substantially built upon. On August 12, 1965 this amalgamation was carried out under the name of Markborough Properties Limited.

Operations

The prime operating objective of the Company is to acquire Canadian real estate properties in substantial volume and of wide diversity as to type and geographical location, both independently and in conjunction with other responsible developers. The Company's policy is directed

toward achieving a suitable ratio of income properties to land held for development and sale. In addition, the Company continues to carry on the business of providing fully-serviced residential building lots for Alcan Design Homes Limited.

Real Estate Assets

Income Producing Properties

Borough of Etobicoke

The Company owns, or has an interest in, six apartment buildings (one of which is under construction), one block of maisonnettes, and one service station site in the Borough of Etobicoke in the Municipality of Metropolitan Toronto.

Four of the completed apartments containing 565 suites, the maisonnette block containing 16 units, and the service station site are wholly owned. Except for occasional vacancies, these buildings are fully leased. The service station site is under lease until 1985 to a major oil company at an annual rental of \$10,300.

The two remaining apartment buildings containing 282 suites are 70% owned by the Company under a joint venture arrangement. The first building is substantially completed and is 98% rented under two-year leases. It is expected that the second building (now 97% rented) will be completed in July 1967 and that the Company's share of the estimated costs to complete construction will be \$45,000.

Borough of East York

In July 1966, the Company acquired from Goldlist Construction Limited a 50% interest in two sites in the Thorncliffe Park area in the Borough of East York in the Municipality of Metropolitan Toronto. The Company has since entered into joint venture agreements with the vendor providing for the construction of two apartment buildings on the sites. Construction of the first building containing 400 suites is now well advanced and it is expected that the first tenants will take possession in July 1967. Construction of the second building, to contain 279 suites, has commenced and is expected to be completed early in 1968. It is estimated that the Company's share of the costs of completing construction of both buildings will be \$2,409,000.

Construction of a seven storey office building in the Thorncliffe Park area was commenced in the spring of 1967. This building will be wholly owned by the Company and will have a net rentable area of approximately 141,500 square feet. There will be underground parking for approximately 240 vehicles and surface parking for approximately 180 vehicles. It is estimated that the building will be completed in December 1967 and that the cost to complete construction of the building will be \$2,610,000.

Borough of North York

On May 9, 1967, the Company completed the purchase of a 243 suite apartment building located in the Finch-Bathurst area of the Borough of North York. The building has been leased back to the vendor under a 70-year net lease which provides for a minimum annual rental during the term of the existing mortgage of \$283,169 and thereafter of \$70,913. The Company has the right, subject to certain conditions, to terminate the lease at the end of the mortgage period. The property is subject to a 6¼% first mortgage of \$3,040,867 payable in equal monthly instalments on account of principal and interest and maturing in 2001.

City of Regina

In October 1966, the Company acquired from Broad Street Park Development Corp. Ltd. a 50% interest in a retail, office and hotel complex in the City of Regina, known as the Regina Centre,

and entered into a joint venture agreement with the vendor for the development and management of the property.

The project (exclusive of the hotel) comprises approximately 56,400 square feet of rentable space which is now substantially completed and of which 84% has been leased. The space includes a 20,000 square foot Safeway store, a 12,900 square foot 700 seat Odeon theatre, 6,000 square feet of office space leased to Central Mortgage & Housing Corporation, a 2,000 square foot bank branch and 15,500 square feet of other retail space. Parking facilities include an indoor parkade which will accommodate 424 cars.

The hotel will have 200 rooms with provision for 40 additional rooms. It is expected that operations will commence on August 1, 1967. Negotiations are being carried on with an established restaurateur to operate the food, banquet and certain of the beverage facilities. It is estimated that the Company's share of the cost of completing construction of the project will be \$360,000.

Sites for Income Property Construction

City of Winnipeg

In October 1966, the Company acquired 4.85 acres of land in downtown Winnipeg. Under the terms of purchase, the Company granted the vendor an option to acquire a 50% interest in the property at a price equal to 50% of the Company's costs. This option expires on September 30, 1967. The property is the former site of St. Paul's College which is entitled in perpetuity to one-half of 1% of the gross revenue derived from the property. Subject to further study, the Company intends to develop the property into a retail, commercial and apartment complex.

Borough of Etobicoke

The Company owns approximately 35 acres of land in the Borough of Etobicoke presently zoned for 19 single-family dwellings, 93 apartment suites and 413 maisonnette units.

Borough of East York

The Company owns a site of 2.6 acres in Thorncliffe Park which is adjacent to its office building now under construction and which is suitable for the erection of a second office building.

Land Under Sales Agreements

The Company owns property in the Borough of Scarborough and in the City of Beaconsfield, near Montreal, in respect of which it has entered into sales agreements with Alcan Design Homes Limited ("ADH"). These properties include 54 fully serviced lots available for sale, 276 lots under development and 347 acres of undeveloped land. Under these agreements the Company is to subdivide the undeveloped land and ADH is to purchase fully serviced lots when available and when required in the normal course of its business. These agreements provide a fixed rate of profit which is considered by management to be reasonable.

Land for Future Development

The Company owns approximately 2,335 acres of land west of Metropolitan Toronto in the Town of Streetsville and the Township of Toronto. This land has been designated in the Official Plan for the Metropolitan Toronto Planning Area as an area for urban development on an integrated residential, industrial and commercial basis which could ultimately accommodate 45,000 to 50,000 people.

The Company has entered into a subdivision agreement with the Town of Streetsville covering the first phase of development comprising 106 single family building lots and approximately 9 acres proposed for apartments. The development of the balance of this land is subject to the avail-

ability of services, however, the Company expects that development will commence in 1969 and continue for 7 to 10 years. The development will include lots for single and multiple family dwellings, industrial parks and high-rise apartment buildings. Included in the Company's plans is a regional shopping centre which it intends to hold as an investment.

Existing and planned transportation facilities render the area readily accessible to Metropolitan Toronto. The Macdonald-Cartier Freeway, Highway 401, a four-lane limited access highway, crosses the Company's land. In addition, two east-west limited access highways are planned to the north and south of the property as part of a 20-year highway construction programme announced by the Province of Ontario in 1966. It is also expected that a major north-south arterial road will be built connecting the Company's properties with all major east-west highways.

The Company's land also is well serviced by rail and air transport facilities. The main line and a branch line of the Canadian Pacific Railway run through the property and the Toronto International Airport is only a ten-minute drive from the site.

Studies by the Ontario Water Resources Commission regarding the feasibility of installing water and sewage services in the area have been completed and the Commission has announced its intention to proceed with the installation of these services. The Commission has submitted final agreements to all the municipalities concerned, including the Township of Toronto and the Town of Streetsville, for the installation of these water and sewage services. The Company, in conjunction with another major development company which owns large tracts of land in the same area, is presently engaged in negotiating a development agreement with the Township of Toronto.

Deposits on Property Purchases

Borough of Scarborough

The Company has deposited with a trustee an interest bearing security in the amount of \$750,000 in connection with an agreement to purchase at a price of \$750,000 a 4½ acre site in the Borough of Scarborough in the Municipality of Metropolitan Toronto. This site has been zoned to accommodate approximately 560 apartment suites.

Borough of Etobicoke

The Company has obtained options to purchase a number of properties in the Borough of Etobicoke in connection with a proposed land assembly. Such options expire in June, 1968. All deposits made in connection with such options are refundable if the options are not exercised.

Appraisal

The Company's real estate assets, excluding land under sales agreements and construction costs of two buildings recently started, were appraised by Eastern and Chartered Trust Company as at March 31, 1967. By this appraisal, land and buildings having a book value of \$25,873,684, were ascribed a current market value of \$32,052,600. The appraisal surplus of \$6,178,916 is not reflected in the Company's consolidated financial statements forming part of this prospectus.

With respect to certain properties, book value is in excess of value recognized for income tax purposes. Reference is made to Note 1 to the Company's consolidated financial statements.

Table of Assets

The following table of assets sets out as at March 31, 1967 particulars of the Company's real estate assets, including book value, appraised value where applicable and outstanding encumbrances.

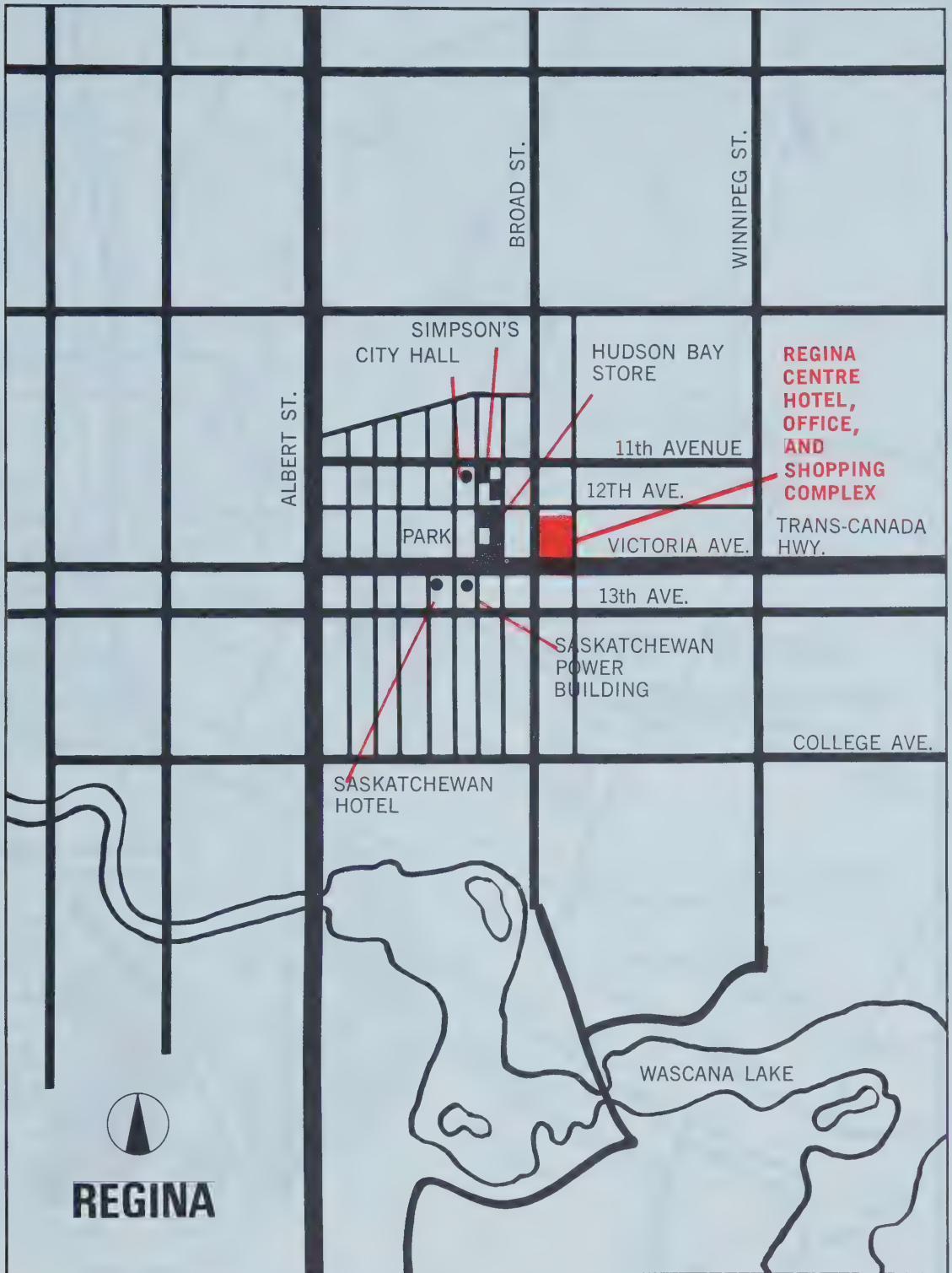
	Book Value	Appraised Value	Mortgages and Notes		
			Amount	Rate	Maturity
Real Estate Assets:					
Properties Subject to Appraisal					
Land under development					
Town of Streetsville.....	\$ 125,217	\$ 345,980	Nil		
Land held for future development					
Toronto Township.....	7,127,492	8,510,860	\$ 897,389	5% to 6%	1967 to 1975
Town of Streetsville.....	413,728	1,143,160	68,000	6%	1971
Borough of Etobicoke.....	39,311	43,000	Nil		
Sites for income property construction					
City of Winnipeg.....	1,903,686	2,200,000	1,610,222	Nil and 6%	1967
Borough of Etobicoke.....	1,100,728	2,500,000	Nil		
Borough of East York.....	170,660	402,325	Nil		
Income producing properties					
311 Dixon Road.....	2,446,590	2,600,000	1,859,190	6¼%	1996
20 Redgrave Drive.....	1,968,817	2,400,000	1,391,801	7%	1994
63 Callowhill Drive.....	1,327,470	1,675,000	1,060,941	6¼%	1995
695 Martingrove Road.....	1,324,757	1,382,500	1,082,528(1)	6¼%	1997
416 The Westway.....	1,107,784	1,350,000	673,616	6¾%	1988
65 Sandwell Drive.....	211,400	200,000	167,591	6¾%	1988
Service Station site.....	113,634	140,000	Nil		
Income producing properties under construction					
49 Thorncliffe Park Drive.....	2,356,686	2,413,000	1,292,192(2)	6¾%	1997
53 Thorncliffe Park Drive, land only	404,521	418,500	(3)		
60 Callowhill Drive.....	1,303,680	1,353,500	947,882(1)	6¼%	1997
15 Overlea Boulevard, land only...	245,979	582,675	(4)		
Regina Centre.....	2,181,544	2,392,100	1,211,500(5)	10%	1967
	<u>25,873,684</u>	<u>32,052,600</u>	<u>12,262,852</u>		
Properties Not Subject to Appraisal					
Land under sales agreements					
Developed.....	206,558		18,550	Nil and 6%	1967
Under development.....	2,307,885		411,155	6% to 7½%	1968 to 1970
Undeveloped.....	4,015,593		2,626,475	6% to 7%	1967 to 1972
Construction costs					
53 Thorncliffe Park Drive.....	66,439		(3)		
15 Overlea Boulevard.....	644,921		(4)		
	<u>7,241,396</u>		<u>3,056,180</u>		
	<u>33,115,080</u>		<u>15,319,032</u>		
Assets Other than Real Estate:					
Receivables, prepaids and other current assets.....					
	1,710,198				
Development costs, Streetsville.....					
	613,972				
	<u>2,324,170</u>				
	<u>\$35,439,250</u>		<u>\$15,319,032</u>		

Notes to Table of Assets:

- (1) The two identical buildings at 695 Martingrove Road and 60 Callowhill Drive are adjacent to one another and are subject to a single mortgage which when fully advanced will be \$3,092,937. The Company's 70% share of the fully advanced mortgage will be \$2,165,055, allocated in equal amounts to each building. The Company's share of amounts advanced to date is \$2,030,410 of which \$1,082,528 has been allocated to 695 Martingrove Road, which is completed, and \$947,882 to 60 Callowhill Drive, still under construction.
- (2) The total principal amount of this mortgage when fully advanced will be \$4,920,000, of which the Company's share will be \$2,460,000. The figure shown is the Company's 50% share of advances to date.
- (3) The Company has received a letter of approval from a lender for mortgage financing in the amount of \$3,431,700 at $7\frac{1}{4}\%$, to be amortized in equal annual instalments over 30 years. The Company's 50% share of this mortgage when fully advanced will be \$1,715,850.
- (4) Mortgage financing on this property is being negotiated.
- (5) The total principal amount of this interim mortgage financing when fully advanced will be \$3,500,000, of which the Company's 50% Share will be \$1,750,000. The figure shown is the Company's share of advances to date. Permanent mortgage financing is being negotiated. Title to this property is also subject to a second mortgage in the amount of \$500,000, which is the sole responsibility of the co-owner of this property. The co-owner has agreed to indemnify the Company for any action arising from this second mortgage and to secure this indemnification has charged its interest in the property and joint venture agreement. In any event, the co-owner has agreed to obtain a discharge of this mortgage by December 31, 1967.

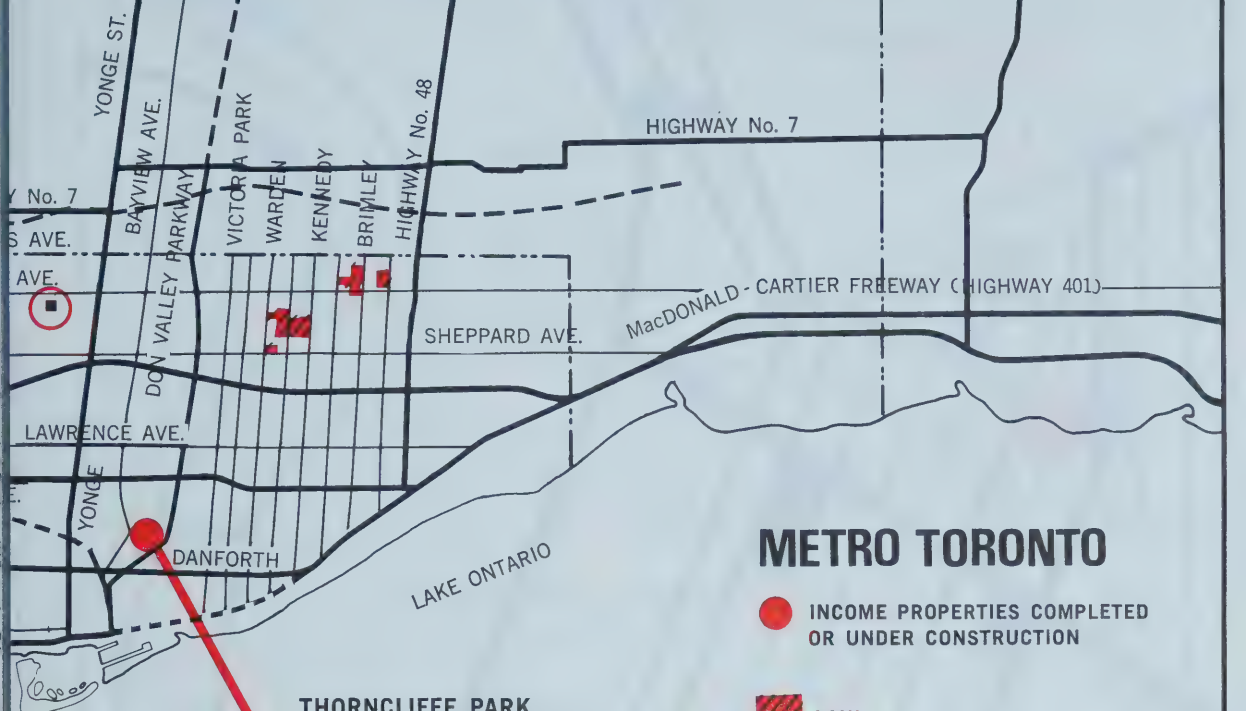
Maps

The maps appearing on pages 10 to 13 of this prospectus show the approximate locations of the Company's properties in the City of Regina, the Toronto area and the City of Winnipeg.





NING BOUNDARY



THORNCLIFFE PARK



METRO TORONTO

● INCOME PROPERTIES COMPLETED OR UNDER CONSTRUCTION

▨ LAND

◻ APARTMENT BUILDING ACQUIRED AFTER MARCH 31, 1967

--- PROPOSED HIGHWAY

Management Stock Options

The Company, as at June 15, 1967, had granted options to certain of its senior officers for an aggregate of 40,000 common shares, after giving effect to the subdivision referred to in Note 2 under the heading "Capitalization", at the price of \$5 per share as follows:

<u>Option Period</u>	<u>No. of Shares</u>
From May 1, 1965 to April 30, 1968.....	20,000
From June 1, 1966 to May 31, 1976.....	10,000
From January 1, 1967 to December 31, 1976.....	10,000

Directors and Officers

The names, home addresses, positions held with the Company and principal occupations of the directors and officers of the Company as at June 15, 1967 are set forth below.

THOMAS LEITH BROCK, 360 Chester Avenue, Town of Mount Royal, P.Q.	Director & Assistant Secretary	Executive Assistant to the President Aluminum Company of Canada Limited
RONALD CALVIN BROWN 62 Airdrie Road, Toronto 17, Ontario	Director & Secretary	Solicitor Partner Blake, Cassels & Graydon
ARTHUR LESLIE DAVIES 9 Cottingham Road (Lower) Toronto 7, Ontario	Director	Solicitor Partner Blake, Cassels & Graydon
WILLIAM JAMES DIXON* 1 Rean Drive, Willowdale, Ontario	Director	Banker Deputy General Manager A Canadian Chartered Bank
REGINALD LOUIS FRIEND 980 Waterford Avenue, Fort Garry, Manitoba	Director	Executive Vice-President The Investors Group
RICHARD HOWARD GANE "Waldron" Silverdale Avenue, Ashley Park, Walton-on-Thames Surrey, England	Director	Executive Assistant Managing Director George Wimpey & Co. Limited
DR. JAMES MCPHAIL GILLIES 14 Clarendon Avenue, Toronto 7, Ontario	Director	Professor Vice-President York University

ALEXANDER RAMSAY GRANT* 1181 Carey Road, Oakville, Ontario	Director	Executive Vice-President and General Manager George Wimpey Canada Limited
GORDON CECIL GRAY* 46 Saintfield Avenue, Don Mills, Ontario	Director	Realtor Vice-President Toronto-Dominion Centre Limited and A. E. LePage Limited
WILLIAM SUTHERLAND HARVEY 2045 Graham Blvd. Town of Mount Royal, P.Q.	Director	Executive Senior Vice-President — Finance Air Canada
ROBERT SUTHERLAND JOY 70 Delisle Avenue, Toronto 7, Ontario	Director	Solicitor Partner Taylor, Joy & McKague
HENRY PETER LANGER 1227 York Mills Road, Don Mills, Ontario	Director & Vice-President, Operations	Executive Vice-President, Operations Markborough Properties Limited
DOUGLAS SCOTT LYALL 103 Banstock Drive, Willowdale, Ontario	Director	Executive Vice-President — Finance The British American Oil Company Limited
BRIAN ROBERT BOYD MAGEE* 177 Teddington Park Blvd., Toronto 12, Ontario	President & Director	Executive President A. E. LePage Limited
JAMES HAROLD McDUGALL* 324 Kensington Avenue, Westmount, P.Q.	Director	Investment Dealer General Manager Greenshields Incorporated
PETER MICHAEL McENTYRE 444 Clarke Avenue, Westmount, Montreal 6, P.Q.	Director	Executive Vice-President and Secretary Commercial Trust Company Limited
GEORGE HENRY MUNDY 75 Havenbrook Boulevard, Willowdale, Ontario	Treasurer	Executive Treasurer Markborough Properties Limited
JOHN CURRIE NEELY* 3495 Mountain Street, Montreal, Quebec	Director	Executive President Alcan Design Homes Limited

JOHN HARRY PANABAKER 36 Buttonwood Drive, Kitchener, Ontario	Director	Executive Vice-President and Treasurer The Mutual Life Assurance Company of Canada
DAVID WALTER PRETTY 206 St. Leonard's Avenue, Toronto 12, Ontario	Director	Executive Vice-President and Treasurer North American Life Assurance Company
DONALD FREDERICK PROWSE 76 The Kingsway, Toronto 18, Ontario	Director & Vice-President, Finance	Executive Vice-President — Finance Markborough Properties Limited
VERNER FRASER SEDGEWICK 129 York Mills Road, Willowdale, Ontario	Assistant Secretary	Executive Assistant Secretary Markborough Properties Limited
ERIK SCHOUSBOE 3445 Ridgewood Avenue, Montreal, Quebec	Director	Executive President Secfin Company Ltd.
JOHN LEARY TOOLE 4300 Western Avenue, Montreal, Quebec	Director	Executive Vice-President — Accounting and Finance Canadian National Railways
PAUL DONALD WESSENGER 173 Franklin Avenue, Willowdale, Ontario	Director	Solicitor Associate Blake, Cassels & Graydon
BEVERLY GEORGE WILLIS 55 Korol Avenue, Weston, Ontario	Director	Investment Dealer Vice-President Greenshields Incorporated

*Members of the executive committee.

There is one vacancy on the board of directors.

The only directors and officers who have not held their present business affiliations for the past five years are as follows:

Dr. Gillies was a professor at the University of California prior to his appointment to York University in July 1965.

Mr. Gray has been a vice-president of Toronto-Dominion Centre Limited since October 1963 in addition to being a vice-president and director of A. E. LePage Limited.

Mr. Langer was a vice-president and director of A. E. LePage Limited prior to his employment by the Company on January 1, 1967. Mr. Langer served as a senior officer of the Company from April 29, 1965 under a consulting arrangement with A. E. LePage Limited.

Mr. McDougall was chairman of the executive committee of Alloys Research and Manufacturing Co., New York, prior to his employment by Greenshields Incorporated in June 1965.

Mr. Mundy was vice-president and comptroller of S. A. Armstrong Limited, Toronto, prior to his employment by the Company on October 1, 1966.

Mr. Prowse was vice-president of Windfields Farm Limited and vice-president and director of Wrentham Estates Limited prior to his employment by the Company on June 1, 1966. Mr. Prowse was also a vice-president and director of Canadian Equity and Development Company Limited from March 1965 to May 1966.

Mr. Sedgewick, was a banker with a Canadian chartered bank prior to his employment by Markborough Limited in October 1963.

Mr. Wessenger was a law student until April 10, 1964 and was a solicitor with Messrs. Daly Cooper, Guolla & O'Gorman from that date until August 3, 1965 when he became associated with Messrs. Blake, Cassels & Graydon.

Remuneration

The aggregate direct remuneration paid by the Company and its subsidiary to the five highest paid officers and employees was \$47,975 during the last fiscal year of the Company and was \$49,767 during the six months ended April 30, 1967. No remuneration was paid to directors as such of the Company during either of said periods. No pension or retirement benefits are payable to officers or directors except under the Canada Pension Plan. During the periods referred to above, the Company paid fees to A. E. LePage Limited relating in part to the services of senior officers to all of which reference is made on page 21 under the heading "Material Contracts".

Management Interest

The only directors and senior officers having any material interest, directly or indirectly, in any transaction with the Company during the past three years are as follows:

Mr. Magee, a director and senior officer of the Company, was a director, officer and beneficial owner of approximately 40% of the shares of Highbury Properties Limited and as such had an interest in the amalgamation agreement referred to under the heading "Material Contracts". At the time of such transaction Mr. Magee was also a director and senior officer of Markborough Limited.

Mr. Magee and Mr. Gray, a director of the Company, are senior officers, directors and shareholders of A. E. LePage Limited, 150 Eglinton Ave. E., Toronto, and as such have an interest in all of the contracts with A. E. LePage Limited referred to under the heading "Material Contracts". Mr. Langer, a director and senior officer of the Company, was a director, senior officer and shareholder of A. E. LePage Limited until December 31, 1966. In the ordinary course of business, the Company has paid and may in the future pay real estate commissions to A. E. LePage Limited for its services in real estate transactions and has been and may in the future be a party to real estate transactions where the other party pays such commissions to A. E. LePage Limited.

Mr. Willis, a director of the Company, is a director and senior officer of Greenshields Incorporated, 4 Place Ville Marie, Montreal, and Mr. McDougall, a director of the Company, is a senior officer of Greenshields Incorporated, and as such they have an interest in all contracts with Greenshields Incorporated referred to under the heading "Material Contracts."

In the ordinary course of business, the Company has entered into agreements with Alcan Design Homes Limited, 1 Place Ville Marie, Montreal, for the sale of certain lands as described under the heading "Lands Under Sales Agreements". Mr. Neely, a director of the Company, is also a director and senior officer of Alcan Design Homes Limited.

In connection with the servicing of certain lands, the Company has entered into agreements in the ordinary course of business with George Wimpey Canada Limited, 80 North Queen Street, Toronto. Mr. Gane, a director of the Company, is a director of George Wimpey Canada Limited. Mr. Grant, a director of the Company, is a director and senior officer of George Wimpey Canada Limited.

Mr. Brown, a director and senior officer of the Company, and Messrs. Davies and Wessenger, directors of the Company, are members of the firm of Blake, Cassels & Graydon, 25 King Street W., Toronto, who act as general counsel to the Company.

Mr. Joy, a director of the Company, is a member of the firm of Taylor, Joy & McKague, 112 King Street W., Toronto, who act as solicitors to the Company.

Description of Common Shares

The capital of the Company consists solely of the common shares without par value of the class being offered by this prospectus. The common shares are entitled to dividends as and when declared by the board of directors; are entitled to one vote per common share; have no preemptive or conversion rights, and are entitled upon liquidation, to receive pro rata such assets of the Company as are distributable to shareholders. The outstanding common shares and the common shares hereby offered will be fully paid and non-assessable.

Non-Cumulative Voting

The holders of common shares have non-cumulative voting rights, which means that the holders of more than 50% of the common shares voting for the election of directors can elect all of the directors if they so choose and in such event, the holders of the remaining less than 50% of the common shares voting for the election of directors will not be able to elect any director or directors to the board of directors.

Dividend Restrictions

There are no present restrictions on the payment of dividends on the common shares of the Company.

Dividend Policy

Although predecessor companies paid dividends, the Company, because of the expansion of its business and the need for working capital, has not paid any dividends nor is it contemplated that such dividends will be paid in the near future. The payment of dividends will ultimately be determined by the Board of Directors on the basis of earnings, financial requirements and other relevant factors.

Prior Sales

From June 15, 1966 to June 15, 1967 the Company issued 937,994 common shares at a price of \$5.00 per share (adjusted to reflect the subdivision referred to in Note 2 under the heading "Capitalization") for an aggregate consideration of \$4,689,970.

Opinion of Counsel

All legal matters relating to the issue and sale of the common shares offered by this prospectus will be subject to the approval of Messrs. Blake, Cassels & Graydon on behalf of the Company and Messrs. Doheny, Day, Mackenzie and Lawrence on behalf of the underwriters.

Registrar and Transfer Agent

The Registrar and Transfer Agent of the Company's common shares is Canada Permanent Trust Company, at Toronto, Montreal, Halifax, Winnipeg, Calgary and Vancouver.

Share Purchase Warrants

The share purchase warrants are to be issued under an indenture (herein called the "warrant indenture") to be dated as of August 1, 1967 between the Company and Canada Permanent Trust Company. The warrant indenture will authorize the issue of share purchase warrants entitling the holders thereof to purchase an aggregate of 300,000 common shares as now constituted.

The holder of each share purchase warrant will be entitled at any time after the issue thereof up to the close of business on August 1, 1972 to subscribe for and purchase the number of common shares as now constituted specified therein at the following prices (without adjustment for dividends on the common shares issuable upon such subscription):

If purchased on or before the close of business on February 1, 1970	\$6
If purchased thereafter and on or before the close of business on August 1, 1972	\$7

The warrant indenture will include, among other things, provisions for appropriate adjustment in the class and number of shares issuable pursuant to such share purchase warrants and in the price for such shares upon the occurrence of certain events including any subdivision, consolidation or reclassification of the common shares and the payment of certain stock dividends.

Underwriting

The Company under date of July 17, 1967 entered into an agreement with Greenshields Incorporated and A. E. Ames & Co. Limited, as underwriters, whereby the Company agreed to sell and the underwriters agreed to purchase, jointly and severally, the 1,200,000 common shares with the accompanying share purchase warrants offered by this prospectus at a price of \$5.05 per share payable in cash against delivery at a closing to be held on or about August 8, 1967.

Purchasers' Statutory Rights of Rescission

With respect to any of the securities offered by this prospectus in the Province of Ontario, The Securities Act 1966 (Ontario) confers on a purchaser in certain circumstances:

- (a) the right to withdraw from the contract to purchase such security if written or telegraphic notice evidencing the intention of the purchaser not to be bound by such contract is received by the vendor not later than midnight on the second business day after the prospectus or amended prospectus is received or deemed to have been received by the purchaser or his agent;
- (b) the right to rescind the contract to purchase such security by commencing an action within ninety days from the date of such contract or the date on which the prospectus or amended prospectus is received or deemed to be received by the purchaser or his agent, whichever is later, if such prospectus, as of the date of receipt, contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made.

Reference is made to Sections 63 and 64 of The Securities Act, 1966 (Ontario) for the complete text of the provisions under which the foregoing rights are conferred.

Sponsors

One of the Company's predecessors, Markborough Limited, was sponsored by Holborough Investments Limited ("Holborough") which subscribed for its initial issued capital of 3,000 common shares without par value for an aggregate consideration of \$30,000. On April 22, 1965, Markborough Limited obtained Supplementary Letters Patent subdividing each of its common shares into six common shares thereby increasing the 3,000 common shares held by Holborough to 18,000 common

shares. From April 29, 1965, Markborough Limited issued an additional 482,000 of its subdivided common shares at a price of \$10 per common share, of which 152,000 were taken up and paid for by Holborough. In April, 1965, Markborough Limited paid to Holborough the sum of \$71,575 in reimbursement of expenses incurred by Holborough in the development of Markborough Limited.

Material Contracts

During the past two years, the Company has entered into the following contracts in addition to contracts in the ordinary course of business:

- (1) the options granted to certain senior officers referred to on page 15 of this prospectus;
- (2) an agreement dated February 28, 1966 between the Company and A. E. LePage Limited providing for the payment of \$75,000 per annum (effective May 1, 1965) to A. E. LePage Limited for the services of two of the Company's senior officers and for consulting services, which agreement was amended effective January 1, 1967 to reduce the annual payment to \$50,000 and was terminated April 30, 1967;
- (3) an agreement dated April 24, 1967 between the Company and A. E. LePage Limited providing for the payment to A. E. LePage Limited of \$50,000 during the period of twelve months ending April 30, 1968 for the services of a senior officer and for consulting services; and
- (4) the underwriting agreement with Greenshields Incorporated and A. E. Ames & Co. Limited referred to on page 20 of this prospectus.

The Company paid to Greenshields Incorporated a fee of \$6,000 in connection with the issue on April 14, 1967 of 60,000 common shares (since subdivided into 120,000 shares).

Copies of the agreements referred to in items (1) to (4) above may be inspected at the head office of the Company during ordinary business hours during the period of primary distribution of the shares hereby offered and for a period of 30 days thereafter.

From time to time the Company will enter into contracts in connection with the acquisition and development of properties which may be material but are considered to be in the ordinary course of business.

Additional Information

The joint venture, construction and management arrangements relating to the apartments under construction in the Boroughs of Etobicoke and East York, the management arrangements relating to the Company's apartments and maisonnettes in the Borough of Etobicoke and the construction arrangements relating to the office building under construction in the Borough of East York are with Goldlist Construction Limited, whose principal shareholder is George D. Goldlist. Both Goldlist Construction Limited and Mr. Goldlist are shareholders of the Company holding in total, less than 1% of the outstanding shares. The Company recently commenced negotiations with one of Mr. Goldlist's companies to acquire a 50% interest in an additional apartment site in Metropolitan Toronto. From 1960 to 1963, the Company's president, Mr. Magee, became associated with Mr. Goldlist in the ownership of four apartment buildings in Metropolitan Toronto and this association still exists. Mr. Magee also holds a 2% interest in a partnership in which Goldlist Construction Limited is the principal partner and which manages the properties of the Company mentioned above. Mr. Magee has no beneficial interest, directly or indirectly, in the shares of Goldlist Construction Limited.

Auditors

The auditors of the Company are Price Waterhouse & Co., Chartered Accountants, 55 Yonge Street, Toronto, Ontario.

FINANCIAL STATEMENTS

Consolidated Balance Sheet and Pro
as at March

Assets

	Consolidated Balance Sheet	Pro Forma Consolidated Balance Sheet (Note 10)
Cash.....	\$ —	\$ 1,204,554
Accounts receivable.....	110,707	110,707
Mortgages and notes receivable.....	165,600	165,600
Prepaid expenses and other assets.....	175,122	175,122
Deposits on property purchases.....	854,700	854,700
Land (Notes 1 and 2):		
Developed, under sales agreements.....	206,558	206,558
Under development, including \$2,307,885 under sales agreements	3,047,074	3,047,074
Undeveloped, under sales agreements.....	4,015,593	4,015,593
For future development.....	7,580,531	7,580,531
	<u>14,849,756</u>	<u>14,849,756</u>
Advances relating to joint ventures (Note 3).....	404,069	404,069
Income producing properties (Notes 1 and 2):		
Land.....	2,901,713	2,901,713
Buildings.....	7,239,218	7,239,218
Equipment.....	371,269	371,269
Construction in progress (Note 4 (a)).....	5,547,411	5,547,411
	<u>16,059,611</u>	<u>16,059,611</u>
LESS accumulated depreciation.....	<u>355,389</u>	<u>355,389</u>
	15,704,222	15,704,222
Sites for income property construction (Notes 1 and 2).....	3,175,074	3,175,074
	<u>\$35,439,250</u>	<u>\$36,643,804</u>

Pro Forma Consolidated Balance Sheet

1, 1967

Liabilities and Shareholders' Equity

	Consolidated Balance Sheet	Pro Forma Consolidated Balance Sheet (Note 10)
Bank indebtedness.....	\$ 7,255,446	\$ —
Accounts payable and accrued liabilities:		
On construction and development in progress.....	1,314,852	1,314,852
Other.....	210,297	210,297
Income and other taxes payable.....	2,069	2,069
Provision for development costs.....	1,317,983	1,317,983
Security deposits by lessees.....	108,833	108,833
Mortgages and notes payable (Note 5).....	15,319,032	15,319,032
	<u>25,528,512</u>	<u>18,273,066</u>
SHAREHOLDERS' EQUITY:		
Capital stock (Note 6)		
Common shares, no par value		
Authorized — 1,500,000 shares (pro forma 6,000,000 shares)		
Issued — 969,447 shares (pro forma 3,627,094 shares)	9,959,220	18,460,220
Deficit.....	<u>48,482</u>	<u>89,482</u>
	<u>9,910,738</u>	<u>18,370,738</u>
	<u>\$35,439,250</u>	<u>\$36,643,804</u>

Approved on behalf of the Board:

B. R. B. MAGEE
Director.

DONALD F. PROWSE
Director.

Markborough Properties Limited

Consolidated Statement of Profit and Loss

From August 12, 1965 (Date of Amalgamation) to March 31, 1967

	Five months ended March 31,		Year ended October 31,	August 12 to October 31,
	1967	1966	1966	1965
	(unaudited)			
Rentals from income producing properties.....	\$468,571	\$276,769	\$773,412	\$137,749
Less:				
Operating expenses.....	195,681	110,269	297,022	45,449
Depreciation (Note 7).....	58,985	34,978	97,854	19,140
Mortgage interest.....	147,408	91,616	253,172	46,153
	402,074	236,863	648,048	110,742
	66,497	39,906	125,364	27,007
Sales of land.....	265,085	414,680	1,464,867	419,799
Less cost of sales.....	239,002	369,823	1,367,271	391,960
	26,083	44,857	97,596	27,839
Sundry income.....	21,186	2,678	22,670	19,185
Net income before general and administrative expenses.....	113,766	87,441	245,630	74,031
General and administrative expenses.....	151,036	104,837	278,234	52,639
Profit (loss) for the period.....	<u>\$(37,270)</u>	<u>\$(17,396)</u>	<u>\$ (32,604)</u>	<u>\$ 21,392</u>

Consolidated Statement of Retained Earnings (Deficit)

From August 12, 1965 (Date of Amalgamation) to March 31, 1967

	Five months ended March 31,		Year ended October 31,	August 12 to October 31,
	1967	1966	1966	1965
	(unaudited)			
Retained earnings (deficit) at beginning of period.....	\$(11,212)	\$21,392	\$21,392	
Profit (loss) for the period.....	(37,270)	(17,396)	(32,604)	\$21,392
Retained earnings (deficit) at end of period.....	<u>\$(48,482)</u>	<u>\$3,996</u>	<u>\$(11,212)</u>	<u>\$21,392</u>

Markborough Properties Limited
Notes to Consolidated Financial Statements
March 31, 1967

1. VALUATION OF LAND AND INCOME PRODUCING PROPERTIES:

On August 12, 1965 Markborough Limited and Highbury Properties Limited amalgamated under the Ontario Corporations Act to form Markborough Properties Limited. Immediately prior to entering into the amalgamation Markborough Limited placed a valuation on the land and income producing properties of Highbury Properties Limited. The valuation of the income producing properties was based on appraisals made in late 1964 by Strung Real Estate Limited and Chaffe, MacKenzie & Ray, Limited. Land and income producing properties originally held by Highbury Properties Limited are carried in the Company's accounts at approximately \$12,300,000. This amount is approximately \$1,800,000 less than the valuation at the date of the amalgamation and approximately \$4,100,000 in excess of the values recognized for income tax purposes. Land held by Markborough Limited at August 12, 1965 is carried at cost.

The \$4,100,000 excess of book values over values for income tax purposes is allocated approximately as follows:

Land for future development	\$1,800,000
Sites for income property construction.....	900,000
Income producing properties:	
Land.....	1,100,000
Buildings and equipment.....	300,000
	<u>\$4,100,000</u>

An appraisal by Eastern & Chartered Trust Company dated April 7, 1967 of the Company's real estate assets, excluding land under sales agreements and construction costs of two buildings recently started, indicated as at March 31, 1967 a value in excess of book values by approximately \$6,200,000.

2. ADDITIONS TO LAND AND INCOME PRODUCING PROPERTIES:

Additions to land and income producing properties since August 12, 1965 are at cost which includes applicable interest and real estate taxes. In addition, land under development includes estimated costs of development.

3. JOINT VENTURES:

Five of the Company's income producing properties, of which four are still under construction, are co-owned with other corporations under joint venture agreements. In such cases, the consolidated balance sheet includes only the Company's share of the assets and liabilities. In certain of the joint ventures, the Company has undertaken to make interest bearing interim advances for the development of the properties and as at March 31, 1967 these advances amounted to \$404,069. The Company is contingently liable at March 31, 1967 for \$3,943,480, representing the liabilities of its co-owners in the joint ventures, but against such contingent liabilities the Company would have a claim upon the joint venture assets of its co-owners.

4. COMMITMENTS:

(a) The Company's share of the estimated costs to complete construction of five income producing properties under construction is approximately \$5,400,000. Undrawn proceeds of specific mortgages on four of these projects are in excess of amounts due to complete these four buildings. On the fifth building, for which the cost to complete construction is approximately \$2,600,000, the Company is negotiating mortgage financing.

(b) Under date of May 9, 1967 the Company purchased a 243 suite apartment building for \$3,750,000. As consideration for this purchase, the Company assumed a mortgage of \$3,040,867 at 6¼% maturing on August 1, 2001 and paid the balance in cash. This transaction was not recorded in the Company's accounts at March 31, 1967 except for a \$50,000 deposit which was included with deposits on property purchases.

5. MORTGAGES AND NOTES PAYABLE:

Mortgages and notes payable comprise the following:

On land under sales agreements at interest from 6% to 7½% with varying repayment terms and maturing by 1972.....	\$ 3,056,180
On land for future development at interest from 5% to 6% with varying repayment terms and maturing by 1975.....	965,389
On income producing properties at interest from 6¼% to 7% payable in equal monthly instalments of principal and interest and maturing by 1997.....	8,475,741
On sites for income property construction maturing in 1967.....	1,610,222
	<u>14,107,532</u>
Interim construction financing due July 31, 1967.....	1,211,500
	<u>\$15,319,032</u>

Principal repayments are due approximately as follows:

Seven months ending October 31, 1967.....	\$ 3,084,000
Fiscal years ending October 31, 1968.....	774,000
1969.....	379,000
1970.....	967,000
1971.....	1,644,000
1972.....	349,000
Subsequent to October 31, 1972.....	8,122,032
	<u>\$15,319,032</u>

6. CAPITAL STOCK:

(a) At the time of the amalgamation of Markborough Limited and Highbury Properties Limited shares of the Company's capital stock were issued as follows:

To the shareholders of Highbury Properties Limited	
5,061,960 preference shares — par value 70¢ each.....	\$3,543,372
126,050 common shares (252,100 subdivided shares)...	1,260,500
To the shareholders of Markborough Limited	
500,000 common shares (1,000,000 subdivided shares)...	4,850,000

On August 24, 1965 the preference shares were redeemed at par for \$3,543,372.

During the fiscal year ended October 31, 1966 the Company issued 118,500 common shares (237,000 subdivided shares) in partial consideration for the purchase of certain land in the Township of Toronto. The directors ascribed \$1,599,750 as consideration for these shares.

All other shares of the Company have been issued for cash.

- (b) The Company has granted options expiring in 1968 to 1976 to certain officers to purchase a total of 20,000 common shares at a price of \$10 per share (40,000 subdivided shares at \$5 per share).

7. DEPRECIATION POLICY:

The buildings included in income producing properties are being depreciated over a 40 year period on a sinking fund basis.

8. INCOME TAXES:

Federal income tax authorities have reviewed the returns of the predecessor companies to the date of the amalgamation and the return of the Company to October 31, 1965. No reassessments have been received and the Company understands that no material adjustments are proposed.

9. SUBSIDIARY

The consolidated financial statements include the accounts of a wholly-owned subsidiary, Northhaven Farms Limited, which was incorporated on March 14, 1966 and whose assets are not material.

10. PRO FORMA TRANSACTIONS:

The pro forma consolidated balance sheet gives effect at March 31, 1967 to:

- (a) the issue of 244,100 common shares (488,200 subdivided shares) which took place in the period April 1, 1967 to June 15, 1967 for a cash consideration of \$2,441,000 and the charging to deficit of a commission of \$6,000 paid in connection therewith;
- (b) the issue of supplementary letters patent under date of April 20, 1967 increasing the authorized capital stock from 1,500,000 to 3,000,000 common shares of no par value;
- (c) the issue of additional supplementary letters patent under date of June 8, 1967 subdividing the authorized capital stock of 3,000,000 common shares into 6,000,000 common shares of no par value and the issued capital at that date of 1,213,547 common shares into 2,427,094 common shares;
- (d) the issue of 1,200,000 common shares with accompanying share purchase warrants as detailed on page 20 of this prospectus for a net cash consideration of \$6,060,000;
- (e) the application of \$7,255,446 of the proceeds of the stock issues to eliminate the Company's bank indebtedness; and
- (f) the payment of legal, accounting and other expenses of financing estimated at \$35,000 charged to deficit.

11. SHARE PURCHASE WARRANTS:

Upon the issue of 1,200,000 common shares referred to in Note 10(d), 300,000 common shares will be reserved for the exercise of share purchase warrants. Such warrants will entitle the holders thereof to purchase common shares at a price of \$6 if exercised before the close of business on February 1, 1970 and at a price of \$7 if exercised before the close of business on August 1, 1972.

Markborough Limited
Statement of Profit and Loss
From October 18, 1963 (Date of Incorporation) to
August 12, 1965 (Date of Amalgamation)

	November 1, 1964 to August 12, 1965	Year ended October 31, 1964
Sales of land	\$1,611,530	\$371,088
Less cost of sales	1,491,306	323,639
	120,224	47,449
Sundry income	24,251	14,752
	144,475	62,201
General and administrative expenses	130,230	43,042
	14,245	19,159
Provision for income taxes	7,000	4,650
Net profit for the period	\$ 7,245	\$ 14,509

Markborough Limited
Statement of Retained Earnings
From October 18, 1963 (Date of Incorporation) to
August 12, 1965 (Date of Amalgamation)

	November 1, 1964 to August 12, 1965	Year ended October 31, 1964
Retained earnings at beginning of period	\$14,509	
Net profit for the period	7,245	\$14,509
Dividends paid	(1,200)	
Retained earnings at end of period	\$20,554	\$14,509

NOTES:

1. The company was incorporated on October 18, 1963 but did not commence operations until November of that year.
2. Under the terms of an agreement dated August 12, 1965, the company amalgamated with Highbury Properties Limited to form Markborough Properties Limited.

Auditors' Report

To the Directors of
MARKBOROUGH PROPERTIES LIMITED:

We have examined the consolidated balance sheet and pro forma consolidated balance sheet of Markborough Properties Limited as at March 31, 1967 and the consolidated statements of profit and loss and retained earnings (deficit) for the period from August 12, 1965 to March 31, 1967. We have also examined the statements of profit and loss and retained earnings of Markborough Limited for the period from October 18, 1963 to August 12, 1965. Our examinations included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion:

- (a) the accompanying consolidated balance sheet presents fairly the financial position of the companies as at March 31, 1967;
- (b) the accompanying pro forma consolidated balance sheet presents fairly the financial position of the companies as at March 31, 1967 after giving effect to the changes set forth in Note 10;
- (c) the accompanying consolidated statements of profit and loss and retained earnings (deficit) of Markborough Properties Limited present fairly the results of the operations of the companies for the period from August 12, 1965 to March 31, 1967;
- (d) the accompanying statements of profit and loss and retained earnings of Markborough Limited present fairly the results of operations of that company for the period from October 18, 1963 to August 12, 1965;

all in accordance with generally accepted accounting principles applied on a consistent basis.

Toronto, Ontario,
July 17, 1967.

PRICE WATERHOUSE & Co.
Chartered Accountants.

Highbury Properties Limited and Predecessor Companies

Combined Statement of Earnings and Retained Earnings

	July 29, 1965 to August 12, 1965	October 6 1964 to July 29, 1965	March 1, 1964 to October 6, 1964	Year ended		
				February 29, 1964	February 28, 1963	February 28, 1962
Sales of land:						
Outside parties.....		\$159,140	\$ 78,534	\$438,657	\$199,096	\$581,435
Associated companies.....				181,410	72,917	20,419
Markborough Limited (Note 2)...		648,180	566,930			
Total sales.....		807,320	645,464	620,067	272,013	601,854
Less cost of sales.....		360,009	385,250	293,390	109,826	315,721
		447,311	260,214	326,677	162,187	286,133
Other income including rentals.....	\$ 22,731	463,119	117,489	216,911	20,414	31,655
Total income.....	22,731	910,430	377,703	543,588	182,601	317,788
Expenses:						
Depreciation.....		176,163	35,409	65,689		
Interest on long-term debt.....	8,004	170,605	49,922	91,482	15,562	28,560
Other.....	19,903	401,225	187,076	259,868	96,827	92,230
Total expenses.....	27,907	747,993	272,407	417,039	112,389	120,790
Profit (loss) before income taxes.....	(5,176)	162,437	105,296	126,549	70,212	196,998
Less provision for income taxes.....		79,788	64,336	92,469	30,591	104,541
Net profit (loss) for the period.....	(5,176)	82,649	40,960	34,080	39,621	92,457
Add retained earnings at beginning of period.....	767,533	684,884	660,946	660,909	640,741	548,284
	762,357	767,533	701,906	694,989	680,362	640,741
Dividends paid.....			(17,022)	(34,043)	(19,453)	
Transferred to shareholders' account ..	(762,357)					
Retained earnings at end of period...	Nil	\$767,533	\$684,884	\$660,946	\$660,909	\$640,741

Highbury Properties Limited

Statement of Shareholders' Account

For the period July 29, 1965 to August 12, 1965

Transferred from retained earnings.....	\$ 762,357	
Book value of consolidated equity in excess of retained earnings.....	347,602	
		<u>\$1,109,959</u>
Increment in value of assets recognized for amalgamation with Markborough Limited (Note 5).....		4,221,524
		<u>5,331,483</u>
Less special tax liability under Section 105C of the Income Tax Act...		527,611
Total value recognized for amalgamation.....		<u><u>\$4,803,872</u></u>
Realized by:		
Shares of Markborough Properties Limited —		
Preference shares (redeemed August 24, 1965).....	\$3,543,372	
Common shares.....	1,260,500	
		<u><u>\$4,803,872</u></u>

Highbury Properties Limited and Predecessor Companies

Notes to Financial Statements

1. Highbury Properties Limited by acquisition and amalgamation is the successor of a number of companies including Highbury Holdings Limited, its subsidiary Highbury Development Co. Limited and ten other companies in which Highbury Holdings Limited held only a 50% interest until October 6, 1964. On that date Highbury Development Co. Limited and the ten other companies were amalgamated under the name Highbury Development Company Limited. Included in the income reported on the accompanying statement are sales of land by Highbury Development Co. Limited to certain associated companies. Income taxes on the profit arising from such transactions were paid.
2. The sales to Markborough Limited were made at a time when the companies were dealing at arm's length. Such land was subsequently sold to third parties, primarily Alcan Design Homes Limited.
3. Each of the companies whose operating results have been combined on the accompanying statement consistently followed generally accepted accounting principles, but some differences existed from company to company, particularly in the treatment of depreciation. Such differences did not materially affect the combined income of the companies.
4. The termination of the periods under review commencing with the period ended October 6, 1964 coincided with the dates of amalgamation of various companies which led eventually to amalgamation with Markborough Limited to form Markborough Properties Limited.
5. This increment, after allowing for subsequent transactions, appears in Note 1 on page 26 of this prospectus as \$4,100,000.

Auditors' Report
On Highbury Properties Limited and Predecessor Companies

To the Directors of
Markborough Properties Limited

We have examined the combined statement of earnings and retained earnings of Highbury Properties Limited and predecessor companies for the years ended February 28, 1962 to 1964, and for the periods March 1, 1964 to October 6, 1964, October 6, 1964 to July 29, 1965 and July 29, 1965 to August 12, 1965 and the statement of shareholders' account for the period July 29, 1965 to August 12, 1965. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying combined statement of earnings and retained earnings presents fairly the results of operations and the changes in retained earnings of the companies for the periods indicated in accordance with generally accepted accounting principles applied on a consistent basis as outlined in Note 3 to the financial statements, and the statement of shareholders' account presents fairly the transactions whereby the shareholders of Highbury Properties Limited received consideration for their interest in that company.

Mr. J. K. Punchard, a partner in Campbell, Lawless & Punchard, was a director, officer and holder of less than 1% of the issued capital of certain of the companies, and is also a holder of less than 1% of the issued capital of Markborough Properties Limited.

Toronto, Ontario,
July 17, 1967.

CAMPBELL, LAWLESS & PUNCHARD
Chartered Accountants.

There are no material facts relating to the Company not disclosed in this prospectus.

Certificate of the Company

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part VII of the Securities Act, 1962 (British Columbia), by Part IX of The Securities Act, 1955 (Alberta), by Section 43 of The Securities Act (Saskatchewan), by Part VII of The Securities Act, 1966 (Ontario) and the regulations thereunder, by the Securities Act (Quebec) and by Section 13 of the Securities Act (New Brunswick), and there is no further material information applicable other than in the financial statements or other reports where required or exigible.

Dated July 17, 1967.

B. R. B. MAGEE

Chief Executive Officer

DONALD F. PROWSE

Chief Financial Officer

On behalf of the Board of Directors,

By W. J. DIXON

Director

H. P. LANGER

Director

Directors

T. L. BROCK, A. L. DAVIES, W. J. DIXON, R. L. FRIEND, R. H. GANE, J. M. GILLIES, A. R. GRANT, G. C. GRAY, W. S. HARVEY, R. S. JOY, H. P. LANGER, D. S. LYALL, B. R. B. MAGEE, J. H. McDougall, P. M. McENTYRE, J. C. NEELY, J. H. PANABAKER, D. W. PRETTY, D. F. PROWSE, E. SCHOUSBOE, J. L. TOOLE, P. D. WESSENGER, B. G. WILLIS.

By his signature affixed below R. C. Brown has, both personally and pursuant to powers of attorney duly executed, signed this prospectus on behalf of all the directors of the Company listed above.

R. C. BROWN

Certificate of the Underwriters

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part VII of the Securities Act, 1962 (British Columbia), by Part IX of The Securities Act, 1955 (Alberta), by Section 43 of The Securities Act (Saskatchewan), by Part VII of The Securities Act, 1966 (Ontario) and the regulations thereunder, by the Securities Act (Quebec) and by Section 13 of the Securities Act (New Brunswick), and there is no further material information applicable other than in the financial statements or other reports where required or exigible.

GREENSHIELDS INCORPORATED

By B. G. WILLIS

A. E. AMES & CO. LIMITED

By W. P. SPRAGGE

The following list includes the names of all persons having an interest either directly or indirectly to the extent of not less than 5% in the capital of Greenshields Incorporated: Peter Kilburn, Viscount Hardinge, Dudley Dawson and J. E. Brookes; and of the capital of A. E. Ames & Co. Limited: J. O. Hughes, W. P. Spragge, W. J. Piper, W. B. Macdonald, J. M. Stewart, D. B. Shaw, R. N. Steiner, R. W. Warren and W. Robson.

12. LISTING ON OTHER STOCK EXCHANGES

The common shares and share purchase warrants of the Company are listed on the Montreal Stock Exchange.

13. STATUS UNDER SECURITIES ACTS

The prospectus accompanying this application was filed with the Ontario Securities Commission on July 17, 1967 and on the same day was forwarded for filing under the securities legislation of the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick and Nova Scotia. The Ontario Securities Commission issued its official receipt for the prospectus on July 17, 1967 and approval for the sale of the securities offered by said prospectus was subsequently obtained from said other provinces.

14. FISCAL YEAR

The fiscal year of the Company ends on October 31, in each year.

15. ANNUAL MEETINGS

The by-laws of the Company provide that the annual meeting of shareholders shall be held at the head office of the Company or at such other place in Ontario on such date, in each year as the Board of Directors may determine from time to time. The last annual meeting of shareholders was held on April 14, 1967.

16. HEAD AND OTHER OFFICES

The head office of the Company is located at 150 Eglinton Avenue East, Toronto, Ontario, Canada. The Company has no other offices from which it carries on business; but it has registered offices in the Provinces of Saskatchewan, Manitoba and Quebec in which it is registered to carry on business.

17. TRANSFER AGENT

The Transfer Agent of the Company is Canada Permanent Trust Company at its principal offices in the Cities of Toronto, Montreal, Halifax, Winnipeg, Calgary and Vancouver.

18. TRANSFER FEE

No fee is charged on stock transfers other than the customary Government stock transfer taxes.

19. REGISTRAR

The Registrar of the Company is Canada Permanent Trust Company at Toronto and branch registers are maintained at the offices of the said Trust Company in Montreal, Halifax, Winnipeg, Calgary and Vancouver.

20. AUDITORS

The auditors of the Company are: Messrs. Price, Waterhouse & Co., 55 Yonge Street, Toronto, Ontario.

21. OFFICERS

The officers of the Company are as follows:

<u>Name</u>	<u>Office</u>
B. R. B. Magee	President
H. P. Langer	Vice-President, Operations
D. F. Prowse	Vice-President, Finance
G. H. Mundy	Treasurer
R. C. Brown	Secretary
T. L. Brock	Assistant Secretary
V. F. Sedgewick	Assistant Secretary

The full names, home addresses and principal occupations of the Company's officers during the past five years are shown on pages 15 to 18 of the prospectus accompanying this application.

22. DIRECTORS

The directors of the Company are as follows:

T. L. Brock	D. S. Lyall
R. C. Brown	B. R. B. Magee
A. L. Davies	J. H. McDougall
W. J. Dixon	P. M. McEntyre
R. L. Friend	J. C. Neely
R. H. Gane	J. H. Panabaker
Dr. J. M. Gillies	D. W. Pretty
A. R. Grant	D. F. Prowse
G. C. Gray	E. Schousboe
W. S. Harvey	J. L. Toole
R. S. Joy	P. D. Wessenger
H. P. Langer	B. G. Willis

There is at present one vacancy on the Board of Directors of the Company.

The full names, home addresses and principal occupations of the Company's directors during the past five years are set out on pages 15 to 18 of the prospectus accompanying this application.

CERTIFICATE

Pursuant to a resolution duly passed by its Board of Directors, the applicant Company hereby applies for the listing of the above mentioned securities on The Toronto Stock Exchange, and the undersigned officers thereof hereby certify that the statements and representations made in this application and in the documents submitted in support thereof are true and correct.



MARKBOROUGH PROPERTIES LIMITED

by: "B. R. B. MAGEE"
President

by: "R. C. BROWN"
Secretary

DISTRIBUTION OF COMMON STOCK AS OF AUGUST 11th, 1967

55	Holders of	1	—	24	share lots	.....	553
62	" "	25	—	99	" "	.....	3,571
148	" "	100	—	199	" "	.....	16,474
109	" "	200	—	299	" "	.....	21,988
31	" "	300	—	399	" "	.....	9,936
81	" "	400	—	499	" "	.....	32,742
83	" "	500	—	999	" "	.....	54,316
200	" "	1000	—	up	" ' "	.....	3,487,514
769	Shareholders				Total shares		3,627,094

FINANCIAL STATEMENTS

MARKBOROUGH PROPERTIES LIMITED

CONSOLIDATED BALANCE SHEET

AS AT JULY 31, 1967

ASSETS

Accounts receivable		\$	64,788
Mortgages and notes receivable			165,600
Prepaid expenses and other assets			106,466
Deposits on property purchases			817,900
Land			
Held for sale		\$	86,213
Under development			3,047,074
Undeveloped, held under sales agreements			4,112,659
Held for future development			7,654,003
			<hr/>
Advances relating to joint ventures			574,934
Income producing properties			
Land			3,257,022
Buildings			10,566,997
Equipment			526,587
Construction in progress			7,802,562
			<hr/>
			22,153,168
Less accumulated depreciation			411,570
			<hr/>
Sites for income property construction			3,256,732
			<hr/>
			<u>\$41,627,967</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Bank indebtedness		\$	9,310,504
Accounts payable and accrued liabilities			
On construction in progress			1,319,844
Other			152,811
Income and other taxes payable			3,640
Provisions for development costs			1,293,236
Security deposits by lessees			136,434
Mortgages and notes payable			17,125,159
			<hr/>
			29,341,628
Shareholders' Equity			
Capital stock			
Common stock, no par value			
Authorized — 6,000,000 shares			
Issued — 2,427,094 shares			
		\$	12,400,220
Deficit			113,881
			<hr/>
			<u>12,286,339</u>
			<u>\$41,627,967</u>

Approved on behalf of the Board:

"B. R. B. MAGEE", Director

"DONALD F. PROWSE", Director

NOTE: On August 8th, 1967 the Company issued 1,200,000 common shares for a net consideration of \$6,060,000 which was applied against bank indebtedness.

MARKBOROUGH PROPERTIES LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE NINE MONTHS ENDED JULY 31, 1967

Rentals from income properties	....	....	....	....	....	....	....	....	....	\$919,016
Less:										
Operating expenses	....	....	....	....	....	....	....	....	....	201,686
Realty taxes	....	....	....	....	....	....	....	....	....	185,603
Depreciation	....	....	....	....	....	....	....	....	....	115,167
Mortgage interest	....	....	....	....	....	....	....	....	....	296,350
										<u>798,806</u>
Profit from income properties	....	....	....	....	....	....	....	....	....	<u>120,210</u>
Sales of land and interest thereon										398,895
Less cost of sales	....	....	....	....	....	....	....	....	....	<u>361,797</u>
Profit from land sales	....	....	....	....	....	....	....	....	....	<u>37,098</u>
Sundry income	....	....	....	....	....	....	....	....	....	<u>36,274</u>
Profit before general and administrative expenses										193,582
General and administrative expenses	....	....	....	....	....	....	....	....	....	<u>276,409</u>
Net loss before financing expense	....	....	....	....	....	....	....	....	....	82,827
Financing expense	....	....	....	....	....	....	....	....	....	<u>19,842</u>
Net loss for period	....	....	....	....	....	....	....	....	....	<u><u>\$102,669</u></u>

CONSOLIDATED STATEMENT OF DEFICIT
FOR THE NINE MONTHS ENDED JULY 31, 1967

Balance October 31, 1966	....	....	....	....	....	....	....	....	....	\$ 11,212
Add net loss for the period	....	....	....	....	....	....	....	....	....	<u>102,669</u>
Balance July 31, 1967	....	....	....	....	....	....	....	....	....	<u><u>\$113,881</u></u>

